

EXHIBIT C

September 21, 2000

Ms. Roxanne Nemcik
College Station City Attorney's Office
1101 Texas Avenue South
College Station, Texas 77840

Re: Conveyance of land and improvements contained thereon for water well

Dear Ms. Nemcik:


This Letter Agreement will serve to confirm the parties' understanding pertaining to the transfer of the above-referenced property pursuant to an Agreement dated November 8, 1978, in which TAMU agreed to supply water to the City of College Station under certain terms and conditions contained therein. A copy of the Agreement is attached as Exhibit A and incorporated by reference. Specifically, the parties agree as follows:

1. TEXAS A&M UNIVERSITY ACCEPTS THE IMPROVEMENTS ON THE PROPERTY AS IS AND WITH ALL FAULTS. THE CITY OF COLLEGE STATION MAKES NO REPRESENTATIONS OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE IMPROVEMENTS ON THE PROPERTY. THE PROVISIONS CONTAINED IN THIS PARAGRAPH SHALL SURVIVE THE DELIVERY FROM THE CITY OF COLLEGE STATION TO TEXAS A&M UNIVERSITY OF THE SPECIAL WARRANTY DEED.
2. The parties agree that all obligations and conditions contained in the Agreement have been fully performed by the City of College Station with the transfer of this property to Texas A&M University that no other consideration or payment is owed by College Station under the Agreement.

The parties executing this Agreement represent that they are authorized to sign this Letter Agreement on behalf of their respective entity.

AGREED:

TEXAS A&M UNIVERSITY

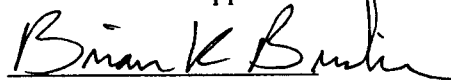


Richard L. Floyd
Associate Vice President for Finance

CITY OF COLLEGE STATION

Lynn McIlhaney
Mayor

Recommended Approval:



Brian K. Bricker
Office of General Counsel